



STATE OF ARIZONA

Application for Serial Number  
Initiative Petition  
A.R.S. § 19-111

FOR OFFICE USE ONLY

SECRETARY OF STATE

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The undersigned intends to circulate and file an initiative petition and hereby makes application for the issuance of an official serial number to be printed in the lower right-hand corner of each side of each signature sheet of such petition. Attached hereto is the full title and text, in no less than eight point type, of the measure or constitutional amendment intended to be initiated at the next general election.

☐ Statutory  
Measure

☒ Constitutional  
Amendment

Date of Application

2/20/2018

Signatures Required

225,963

Deadline for Filing

July 5, 2018

Serial Number Issued

C-04-2018

The Clean Energy for a Healthy Arizona Amendment requires affected electric utilities to provide at least 50% of their annual retail sales of electricity from renewable energy sources by 2030. The Amendment defines renewable energy sources to include solar, wind, small-scale hydropower, and other sources that are replaced rapidly by a natural, ongoing process (excluding nuclear or fossil fuel). Distributed renewable energy sources, like rooftop solar, must comprise at least 10% of utilities' annual retail sales of electricity by 2030. The Amendment allows electric utilities to earn and trade credits to meet these requirements.

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Clean Energy for a Healthy Arizona

Committee Name

2018-00444

Committee ID No.

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By submitting this Application for Serial Number and checking all boxes below, I acknowledge the following:



That I have read and understand the accompanying Instructions for Statewide Initiatives, including the Secretary of State's recommended best practices for printing copies of the Statewide Initiative Petition to be circulated.



That at the time of filing, I was provided instructions regarding accurate completion of the electronic Statewide Initiative Petition form.

Applicant Signature

February 20, 2018

Date

Office of the Secretary of State  
1700 W. Washington Street  
Phoenix, Arizona 85007

Rev. 06/01/2017

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Official Title

A CONSTITUTIONAL AMENDMENT  
AMENDING ARTICLE XV OF THE CONSTITUTION OF ARIZONA TO REQUIRE ELECTRICITY PROVIDERS TO  
GENERATE AT LEAST 50% OF THEIR ANNUAL SALES OF ELECTRICITY FROM RENEWABLE ENERGY  
SOURCES

Text of Proposed Amendment

Be it enacted by the People of the State of Arizona:

**Section 1. Title.**

This Constitutional Amendment shall be known as the "Clean Energy for a Healthy Arizona Amendment."

**Section 2. Article XV, Constitution of Arizona, is amended by adding Section 20, as follows:**

SECTION 20. RENEWABLE ENERGY REQUIREMENT

A. DEFINITIONS

1. "AFFECTED UTILITY" MEANS A PUBLIC SERVICE CORPORATION SERVING RETAIL ELECTRIC LOAD IN ARIZONA.
2. "ANNUAL RENEWABLE ENERGY REQUIREMENT" MEANS THE PORTION OF AN AFFECTED UTILITY'S ANNUAL RETAIL ELECTRICITY SALES THAT MUST COME FROM ELIGIBLE RENEWABLE ENERGY RESOURCES.
3. "CONVENTIONAL ENERGY RESOURCE" MEANS AN ENERGY RESOURCE THAT IS NON-RENEWABLE IN NATURE, SUCH AS NATURAL GAS, COAL, OIL, AND URANIUM, OR ELECTRICITY THAT IS PRODUCED WITH ENERGY RESOURCES THAT ARE NOT RENEWABLE ENERGY RESOURCES.
4. "RENEWABLE ENERGY RESOURCE" MEANS AN ENERGY RESOURCE THAT IS REPLACED RAPIDLY BY A NATURAL, ONGOING PROCESS AND THAT IS NOT MUNICIPAL SOLID WASTE COMBUSTION, TREES LARGER THAN 12 INCHES IN DIAMETER, NUCLEAR OR FOSSIL FUEL.
5. "DISTRIBUTED GENERATION" MEANS ELECTRIC GENERATION SITED AT CUSTOMER PREMISES, PROVIDING ELECTRIC ENERGY TO THE CUSTOMER LOAD ON THAT SITE OR PROVIDING WHOLESALE CAPACITY AND ENERGY DIRECTLY TO THE LOCAL UTILITY DISTRIBUTION COMPANY FOR USE BY MULTIPLE CUSTOMERS IN CONTIGUOUS DISTRIBUTION SUBSTATION SERVICE AREAS. THE GENERATOR SIZE AND TRANSMISSION NEEDS SHALL BE SUCH THAT THE PLANT OR ASSOCIATED TRANSMISSION LINES DO NOT REQUIRE A CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY FROM THE CORPORATION COMMISSION.
6. "DISTRIBUTED RENEWABLE ENERGY RESOURCE" MEANS AN ENERGY RESOURCE FROM DISTRIBUTED GENERATION TECHNOLOGIES INCLUDING BIOGAS ELECTRICITY GENERATORS, BIOMASS ELECTRICITY GENERATORS, GEOTHERMAL GENERATORS, FUEL CELLS THAT USE ONLY RENEWABLE FUELS, NEW HYDROPOWER GENERATORS OF 10 MW OR LESS, SOLAR ELECTRICITY RESOURCES, BIOMASS THERMAL SYSTEMS, BIOGAS THERMAL SYSTEMS, COMMERCIAL SOLAR POOL HEATERS, GEOTHERMAL SPACE HEATING AND PROCESS HEATING SYSTEMS, RENEWABLE COMBINED HEAT AND POWER SYSTEMS, SOLAR DAYLIGHTING, SOLAR HVAC SYSTEMS, SOLAR INDUSTRIAL PROCESS HEATING AND COOLING, SOLAR SPACE COOLING, SOLAR SPACE HEATING, SOLAR WATER HEATING, AND WIND GENERATORS OF 1 MW OR LESS AND THAT IS NOT MUNICIPAL SOLID WASTE COMBUSTION, TREES LARGER THAN 12 INCHES IN DIAMETER, NUCLEAR OR FOSSIL FUEL.
7. "DISTRIBUTED RENEWABLE ENERGY REQUIREMENT" MEANS A PORTION OF THE TOTAL ELECTRICITY SALES FOR WHICH AN AFFECTED UTILITY MUST OBTAIN DISTRIBUTED RENEWABLE



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ENERGY CREDITS DERIVED FROM RESOURCES THAT QUALIFY AS DISTRIBUTED RENEWABLE ENERGY RESOURCES.

8. "RENEWABLE ENERGY CREDIT" MEANS THE UNIT CREATED TO TRACK KWH DERIVED FROM AN ELIGIBLE RENEWABLE ENERGY RESOURCE OR KWH EQUIVALENT OF CONVENTIONAL ENERGY RESOURCES DISPLACED BY DISTRIBUTED RENEWABLE ENERGY RESOURCES.

9. "DISTRIBUTED RENEWABLE ENERGY CREDIT" MEANS THE UNIT CREATED TO TRACK KWH DERIVED FROM A DISTRIBUTED RENEWABLE ENERGY RESOURCES OR KWH EQUIVALENT OF CONVENTIONAL ENERGY RESOURCES DISPLACED BY DISTRIBUTED RENEWABLE ENERGY RESOURCES.

10. "UTILITY DISTRIBUTION COMPANY" MEANS A PUBLIC SERVICE CORPORATION THAT OPERATES, CONSTRUCTS, OR MAINTAINS A DISTRIBUTION SYSTEM FOR THE DELIVERY OF POWER TO RETAIL CUSTOMERS IN ARIZONA.

#### B. ELIGIBLE RENEWABLE ENERGY RESOURCES

1. "ELIGIBLE RENEWABLE ENERGY RESOURCES" SHALL INCLUDE ELECTRICITY FROM A RENEWABLE ENERGY RESOURCE DELIVERED TO ARIZONA CUSTOMERS THAT IS GENERATED FROM BIOGAS ELECTRICITY GENERATORS, BIOMASS ELECTRICITY GENERATORS, DISTRIBUTED RENEWABLE ENERGY RESOURCES, ELIGIBLE HYDROPOWER FACILITIES, FUEL CELLS THAT USE ONLY RENEWABLE FUELS, GEOTHERMAL GENERATORS, HYBRID WIND AND SOLAR ELECTRIC GENERATORS, LANDFILL GAS GENERATORS, NEW HYDROPOWER GENERATORS OF 10 MW OR LESS, SOLAR ELECTRICITY RESOURCES, AND WIND GENERATORS.

2. "ELIGIBLE HYDROPOWER FACILITIES" ARE HYDROPOWER GENERATORS THAT WERE IN EXISTENCE PRIOR TO 1997 AND THAT INCREASE CAPACITY DUE TO IMPROVED TECHNOLOGICAL OR OPERATIONAL EFFICIENCIES OR OPERATIONAL IMPROVEMENTS, IN WHICH CASE THE KWH THAT ARE ELIGIBLE TO MEET THE ANNUAL RENEWABLE ENERGY REQUIREMENTS SHALL BE LIMITED TO THE NEW, INCREMENTAL KWH OUTPUT RESULTING FROM THE CAPACITY INCREASE THAT IS DELIVERED TO ARIZONA CUSTOMERS.

3. "NEW HYDROPOWER GENERATOR OF 10 MW OR LESS" IS A GENERATOR, INSTALLED AFTER JANUARY 1, 2006, THAT PRODUCES 10 MW OR LESS AND THAT IS EITHER:

A. A LOW-HEAD, MICRO HYDRO RUN-OF-THE RIVER SYSTEM THAT DOES NOT REQUIRE ANY NEW DAMMING OF THE FLOW OF THE STREAM; OR

B. AN EXISTING DAM THAT ADDS POWER GENERATION EQUIPMENT WITHOUT REQUIRING A NEW DAM, DIVERSION STRUCTURES, OR A CHANGE IN WATER FLOW THAT WILL ADVERSELY IMPACT FISH, WILDLIFE, OR WATER QUALITY; OR

C. GENERATION USING CANALS OR OTHER IRRIGATION SYSTEMS.

4. EXCEPT AS PROVIDED IN SUBSECTION B(2), ELIGIBLE RENEWABLE ENERGY RESOURCES SHALL NOT INCLUDE FACILITIES INSTALLED BEFORE JANUARY 1, 1997.

#### C. RENEWABLE ENERGY CREDITS

1. ONE RENEWABLE ENERGY CREDIT SHALL BE CREATED FOR EACH KWH DERIVED FROM AN ELIGIBLE RENEWABLE ENERGY RESOURCE, INCLUDING DISTRIBUTED RENEWABLE ENERGY RESOURCES. INITIAL OWNERSHIP OF THE RENEWABLE ENERGY CREDIT SHALL BE ASSIGNED TO THE OWNER OF THE ELIGIBLE RENEWABLE ENERGY RESOURCE.

2. ONE DISTRIBUTED RENEWABLE ENERGY CREDIT SHALL ALSO BE CREATED FOR EACH KWH DERIVED FROM A DISTRIBUTED RENEWABLE ENERGY RESOURCE AND EACH 3,415 BRITISH THERMAL



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UNITS OF HEAT PRODUCED BY A SOLAR WATER HEATING SYSTEM, SOLAR INDUSTRIAL PROCESS HEATING AND COOLING SYSTEM, SOLAR SPACE COOLING SYSTEM, BIOMASS THERMAL SYSTEM, BIOGAS THERMAL SYSTEM, OR SOLAR SPACE HEATING SYSTEM. INITIAL OWNERSHIP OF THE DISTRIBUTED RENEWABLE ENERGY CREDIT SHALL BE ASSIGNED TO THE OWNER OF THE DISTRIBUTED RENEWABLE ENERGY RESOURCE.

3. AN OWNER OF A RENEWABLE ENERGY CREDIT OR DISTRIBUTED RENEWABLE ENERGY CREDIT MAY TRANSFER SUCH CREDITS TO ANOTHER PARTY. EXCEPT IN THE CASE OF DISTRIBUTED RENEWABLE ENERGY RESOURCES, AFFECTED UTILITIES MUST DEMONSTRATE THE DELIVERY OF ENERGY FROM ELIGIBLE RENEWABLE ENERGY RESOURCES TO THEIR RETAIL CONSUMERS SUCH AS BY PROVIDING PROOF THAT THE NECESSARY TRANSMISSION RIGHTS WERE RESERVED AND UTILIZED TO DELIVER ENERGY FROM ELIGIBLE RENEWABLE ENERGY RESOURCES TO THE AFFECTED UTILITY'S SYSTEM, IF TRANSMISSION IS REQUIRED, OR THAT THE APPROPRIATE CONTROL AREA OPERATORS SCHEDULED THE ENERGY FROM ELIGIBLE RENEWABLE ENERGY RESOURCES FOR DELIVERY TO THE AFFECTED UTILITY'S SYSTEM.

#### D. ANNUAL RENEWABLE ENERGY REQUIREMENT

1. EACH AFFECTED UTILITY SHALL BE REQUIRED TO SATISFY AN ANNUAL RENEWABLE ENERGY REQUIREMENT BY OBTAINING RENEWABLE ENERGY CREDITS FROM ELIGIBLE RENEWABLE ENERGY RESOURCES.

2. AN AFFECTED UTILITY'S ANNUAL RENEWABLE ENERGY REQUIREMENT SHALL BE CALCULATED EACH CALENDAR YEAR BY APPLYING THE FOLLOWING APPLICABLE ANNUAL PERCENTAGE TO THE RETAIL KWH SOLD BY THE AFFECTED UTILITY DURING THAT CALENDAR YEAR:

- (A) IN 2020 NOT LESS THAN 12%
- (B) IN 2021 NOT LESS THAN 14%
- (C) IN 2022 NOT LESS THAN 16%
- (D) IN 2023 NOT LESS THAN 20%
- (E) IN 2024 NOT LESS THAN 24%
- (F) IN 2025 NOT LESS THAN 28%
- (G) IN 2026 NOT LESS THAN 32%
- (H) IN 2027 NOT LESS THAN 36%
- (I) IN 2028 NOT LESS THAN 40%
- (J) IN 2029 NOT LESS THAN 45%
- (K) 2030 AND EACH YEAR THEREAFTER NOT LESS THAN 50%

3. AN AFFECTED UTILITY MAY USE RENEWABLE ENERGY CREDITS ACQUIRED IN ANY YEAR TO MEET ITS ANNUAL RENEWABLE ENERGY REQUIREMENT. ONCE A RENEWABLE ENERGY CREDIT IS USED BY ANY AFFECTED UTILITY TO SATISFY THE REQUIREMENT IN THIS SECTION, THE CREDIT IS RETIRED AND CANNOT BE SUBSEQUENTLY USED TO SATISFY THESE REQUIREMENTS OR ANY OTHER REGULATORY REQUIREMENT. AN AFFECTED UTILITY THAT TRADES OR SELLS ENVIRONMENTAL POLLUTION REDUCTION CREDITS OR ANY OTHER ENVIRONMENTAL ATTRIBUTES ASSOCIATED WITH KWH PRODUCED BY AN ELIGIBLE RENEWABLE ENERGY RESOURCE MAY NOT APPLY RENEWABLE ENERGY CREDITS DERIVED FROM THAT SAME KWH TO SATISFY THE REQUIREMENTS IN THIS SECTION.

#### E. ANNUAL DISTRIBUTED RENEWABLE ENERGY REQUIREMENT

1. EACH AFFECTED UTILITY SHALL BE REQUIRED TO SATISFY AN ANNUAL DISTRIBUTED RENEWABLE ENERGY REQUIREMENT BY OBTAINING DISTRIBUTED RENEWABLE ENERGY CREDITS FROM DISTRIBUTED RENEWABLE ENERGY RESOURCES.

2. AN AFFECTED UTILITY'S DISTRIBUTED RENEWABLE ENERGY REQUIREMENT SHALL BE CALCULATED EACH CALENDAR YEAR BY APPLYING THE FOLLOWING APPLICABLE ANNUAL PERCENTAGE TO THE RETAIL KWH SOLD BY THE AFFECTED UTILITY DURING THAT CALENDAR YEAR:

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- (A) 2020 NOT LESS THAN 3%
- (B) 2021 NOT LESS THAN 3.5%
- (C) 2022 NOT LESS THAN 4%
- (D) 2023 NOT LESS THAN 4.5%
- (E) 2024 NOT LESS THAN 5%
- (F) 2025 NOT LESS THAN 5.5%
- (G) 2026 NOT LESS THAN 6%
- (H) 2027 NOT LESS THAN 7%
- (I) 2028 NOT LESS THAN 8%
- (J) 2029 NOT LESS THAN 9%
- (K) 2030 AND EACH YEAR THEREAFTER NOT LESS THAN 10%

3. AN AFFECTED UTILITY MAY USE DISTRIBUTED RENEWABLE ENERGY CREDITS ACQUIRED IN ANY YEAR TO MEET ITS ANNUAL DISTRIBUTED RENEWABLE ENERGY REQUIREMENT. ONCE A DISTRIBUTED RENEWABLE ENERGY CREDIT IS USED BY ANY AFFECTED UTILITY TO SATISFY THE REQUIREMENT IN THIS SECTION, THE CREDIT IS RETIRED AND CANNOT BE SUBSEQUENTLY USED TO SATISFY THESE REQUIREMENTS OR ANY OTHER REGULATORY REQUIREMENT. AN AFFECTED UTILITY THAT TRADES OR SELLS ENVIRONMENTAL POLLUTION REDUCTION CREDITS OR ANY OTHER ENVIRONMENTAL ATTRIBUTES ASSOCIATED WITH KWH PRODUCED BY A DISTRIBUTED RENEWABLE ENERGY RESOURCE MAY NOT APPLY DISTRIBUTED RENEWABLE ENERGY CREDITS DERIVED FROM THAT SAME KWH TO SATISFY THE REQUIREMENTS IN THIS SECTION.

### **Section 3. Severability.**

The People of Arizona declare their intention that the provisions of this Constitutional Amendment are severable. If any provision of this Constitutional Amendment is held invalid for any reason, the remaining provisions of this Amendment shall be severed from the void portion and given the fullest possible force and application.

### **Section 4. Submission to Voters.**

The Secretary of State shall submit this Constitutional Amendment to the voters at the next general election as provided by Article XXI, Section 1, Constitution of Arizona.

### **Section 5. Effective Date and Implementation.**

A. If approved by the voters, this Constitutional Amendment shall take effect as of January 1, 2019.

B. The Corporation Commission shall promptly make such changes in and additions to regulations as are necessary to fully implement the provisions of this Constitutional Amendment.

1. No later than 90 days after the Constitutional Amendment takes effect the Corporation Commission shall begin any rulemakings required to implement and enforce this Amendment. These rulemakings must be completed no later than December 31, 2019. The Corporation Commission may open additional proceedings as appropriate to explore implementation details including energy storage, systems operations, and resource planning.
2. Affected Utilities must provide the Corporation Commission with a detailed compliance and implementation plan on an annual basis.

C. The rights established by this Section shall be construed broadly.